



A P P E N D I X    A

REPORT TO THE PRESIDENT  
ON THE ACTIVITIES OF THE  
COUNCIL OF ECONOMIC  
ADVISERS DURING 2010



## LETTER OF TRANSMITTAL

COUNCIL OF ECONOMIC ADVISERS  
Washington, D.C., December 31, 2010

MR. PRESIDENT:

The Council of Economic Advisers submits this report on its activities during calendar year 2010 in accordance with the requirements of the Congress, as set forth in section 10(d) of the Employment Act of 1946 as amended by the Full Employment and Balanced Growth Act of 1978.

Sincerely,

Austan Goolsbee, *Chairman*  
Cecilia Elena Rouse, *Member*

## COUNCIL MEMBERS AND THEIR DATES OF SERVICE

Name	Position	Oath of office date	Separation date
Edwin G. Nourse	Chairman	August 9, 1946	November 1, 1949
Leon H. Keyserling	Vice Chairman	August 9, 1946	
	Acting Chairman	November 2, 1949	
	Chairman	May 10, 1950	January 20, 1953
John D. Clark	Member	August 9, 1946	
	Vice Chairman	May 10, 1950	February 11, 1953
Roy Blough	Member	June 29, 1950	August 20, 1952
Robert C. Turner	Member	September 8, 1952	January 20, 1953
Arthur F. Burns	Chairman	March 19, 1953	December 1, 1956
Neil H. Jacoby	Member	September 15, 1953	February 9, 1955
Walter W. Stewart	Member	December 2, 1953	April 29, 1955
Raymond J. Saulnier	Member	April 4, 1955	
	Chairman	December 3, 1956	January 20, 1961
Joseph S. Davis	Member	May 2, 1955	October 31, 1958
Paul W. McCracken	Member	December 3, 1956	January 31, 1959
Karl Brandt	Member	November 1, 1958	January 20, 1961
Henry C. Wallich	Member	May 7, 1959	January 20, 1961
Walter W. Heller	Chairman	January 29, 1961	November 15, 1964
James Tobin	Member	January 29, 1961	July 31, 1962
Kermit Gordon	Member	January 29, 1961	December 27, 1962
Gardner Ackley	Member	August 3, 1962	
	Chairman	November 16, 1964	February 15, 1968
John P. Lewis	Member	May 17, 1963	August 31, 1964
Otto Eckstein	Member	September 2, 1964	February 1, 1966
Arthur M. Okun	Member	November 16, 1964	
	Chairman	February 15, 1968	January 20, 1969
James S. Duesenberry	Member	February 2, 1966	June 30, 1968
Merton J. Peck	Member	February 15, 1968	January 20, 1969
Warren L. Smith	Member	July 1, 1968	January 20, 1969
Paul W. McCracken	Chairman	February 4, 1969	December 31, 1971
Hendrik S. Houthakker	Member	February 4, 1969	July 15, 1971
Herbert Stein	Member	February 4, 1969	
	Chairman	January 1, 1972	August 31, 1974
Ezra Solomon	Member	September 9, 1971	March 26, 1973
Marina v.N. Whitman	Member	March 13, 1972	August 15, 1973
Gary L. Seevers	Member	July 23, 1973	April 15, 1975
William J. Fellner	Member	October 31, 1973	February 25, 1975
Alan Greenspan	Chairman	September 4, 1974	January 20, 1977
Paul W. MacAvoy	Member	June 13, 1975	November 15, 1976
Burton G. Malkiel	Member	July 22, 1975	January 20, 1977
Charles L. Schultze	Chairman	January 22, 1977	January 20, 1981
William D. Nordhaus	Member	March 18, 1977	February 4, 1979
Lyle E. Gramley	Member	March 18, 1977	May 27, 1980

## COUNCIL MEMBERS AND THEIR DATES OF SERVICE

Name	Position	Oath of office date	Separation date
George C. Eads	Member	June 6, 1979	January 20, 1981
Stephen M. Goldfeld	Member	August 20, 1980	January 20, 1981
Murray L. Weidenbaum	Chairman	February 27, 1981	August 25, 1982
William A. Niskanen	Member	June 12, 1981	March 30, 1985
Jerry L. Jordan	Member	July 14, 1981	July 31, 1982
Martin Feldstein	Chairman	October 14, 1982	July 10, 1984
William Poole	Member	December 10, 1982	January 20, 1985
Beryl W. Sprinkel	Chairman	April 18, 1985	January 20, 1989
Thomas Gale Moore	Member	July 1, 1985	May 1, 1989
Michael L. Mussa	Member	August 18, 1986	September 19, 1988
Michael J. Boskin	Chairman	February 2, 1989	January 12, 1993
John B. Taylor	Member	June 9, 1989	August 2, 1991
Richard L. Schmalensee	Member	October 3, 1989	June 21, 1991
David F. Bradford	Member	November 13, 1991	January 20, 1993
Paul Wonnacott	Member	November 13, 1991	January 20, 1993
Laura D'Andrea Tyson	Chair	February 5, 1993	April 22, 1995
Alan S. Blinder	Member	July 27, 1993	June 26, 1994
Joseph E. Stiglitz	Member	July 27, 1993	
	Chairman	June 28, 1995	February 10, 1997
Martin N. Baily	Member	June 30, 1995	August 30, 1996
Alicia H. Munnell	Member	January 29, 1996	August 1, 1997
Janet L. Yellen	Chair	February 18, 1997	August 3, 1999
Jeffrey A. Frankel	Member	April 23, 1997	March 2, 1999
Rebecca M. Blank	Member	October 22, 1998	July 9, 1999
Martin N. Baily	Chairman	August 12, 1999	January 19, 2001
Robert Z. Lawrence	Member	August 12, 1999	January 12, 2001
Kathryn L. Shaw	Member	May 31, 2000	January 19, 2001
R. Glenn Hubbard	Chairman	May 11, 2001	February 28, 2003
Mark B. McClellan	Member	July 25, 2001	November 13, 2002
Randall S. Kroszner	Member	November 30, 2001	July 1, 2003
N. Gregory Mankiw	Chairman	May 29, 2003	February 18, 2005
Kristin J. Forbes	Member	November 21, 2003	June 3, 2005
Harvey S. Rosen	Member	November 21, 2003	
	Chairman	February 23, 2005	June 10, 2005
Ben S. Bernanke	Chairman	June 21, 2005	January 31, 2006
Katherine Baicker	Member	November 18, 2005	July 11, 2007
Matthew J. Slaughter	Member	November 18, 2005	March 1, 2007
Edward P. Lazear	Chairman	February 27, 2006	January 20, 2009
Donald B. Marron	Member	July 17, 2008	January 20, 2009
Christina D. Romer	Chair	January 29, 2009	September 3, 2010
Austan D. Goolsbee	Member	March 11, 2009	
	Chairman	September 10, 2010	
Cecilia Elena Rouse	Member	March 11, 2009	



# **REPORT TO THE PRESIDENT ON THE ACTIVITIES OF THE COUNCIL OF ECONOMIC ADVISERS DURING 2010**

The Council of Economic Advisers was established by the Employment Act of 1946 to provide the President with objective economic analysis and advice on the development and implementation of a wide range of domestic and international economic policy issues. The Council consists of a Chairman and two members appointed by the President and confirmed by the United States Senate.

## **THE CHAIR OF THE COUNCIL**

**Austan D. Goolsbee**, who had been a Member of the Council since 2009, was appointed Chairman of the Council on September 10, 2010. Chairman Goolsbee is on a leave of absence from the University of Chicago, where he is the Robert P. Gwinn Professor of Economics at the Booth School of Business. He also served as the Chief Economist and Staff Director of the President's Economic Recovery Advisory Board for the duration of its existence from 2009 to 2011.

The Chairman is a member of the President's Cabinet and is responsible for communicating the Council's views on economic matters directly to the President through personal discussions and written reports. Chairman Goolsbee represents the Council at the Presidential economic briefings, daily White House senior staff meetings, budget meetings, Cabinet meetings, a variety of inter-agency meetings, and meetings with the President, the Vice President, and other senior government officials. He also meets frequently with members of Congress as well as with business, academic and labor leaders to discuss ideas about the economy.

Christina D. Romer resigned as Chair in September 2010 to return to the University of California, Berkeley, where she is the Class of 1957 -Garff B. Wilson Professor of Economics.

## THE MEMBERS OF THE COUNCIL

**Cecilia Elena Rouse** was nominated by the President on January 20, 2009, confirmed by the Senate on March 10, and took her oath of office on March 11. Dr. Rouse is on a leave of absence from Princeton University, where she is the Theodore A. Wells '29 Professor of Economics and Public Affairs. Dr. Rouse represents the Council at a wide variety of meetings and frequently attends meetings with the President and the Vice President. Dr. Rouse works closely with the Chairman on all issues before the Council, and especially on those related to labor, education, housing, and international trade.

## AREAS OF ACTIVITY

### *Macroeconomic Policies*

A central function of the Council is to advise the President on all major macroeconomic issues and developments. The Council is actively involved in all aspects of macroeconomic policy. In 2010, the central macroeconomic issues included formulating targeted measures to spur job creation; evaluating the effects of the policies and the economy's response; reforming financial regulation; monitoring the financial and economic recovery; providing analysis on the economic effects of the American Recovery and Reinvestment Act of 2009; innovation and infrastructure; and setting priorities for the budget. The Council works closely with various government agencies, the Office of Management and Budget, the National Economic Council, White House senior staff, and other officials.

The Council prepares for the President, the Vice President, and the White House senior staff a daily economic briefing memo analyzing current economic developments, and almost-daily memos on key economic data releases. It also issues reports periodically on economic issues.

The Council, the Department of Treasury, and the Office of Management and Budget—the Administration's economic "troika"—are responsible for producing the economic forecasts that underlie the Administration's budget proposals. The Council initiates the forecasting process twice each year, consulting with a wide variety of outside sources, including leading private sector forecasters and other government agencies.

The Council continued its efforts to improve the public's understanding of economic developments and of the Administration's economic policies through briefings with the economic and financial press, discussions with outside economists, presentations to outside organizations, and regular updates on major data releases on the CEA blog. The Chairman



and Members also regularly met to exchange views on the macroeconomy with the Chairman and Members of the Board of Governors of the Federal Reserve System.

### ***Microeconomic Policies***

Throughout the year, the Council was an active participant in the analysis and consideration of a broad range of microeconomic policy issues. As with macroeconomic policy, the Council works closely with other agencies and White House senior staff on these issues. Among the specific microeconomic issues that received particular attention in 2010 were unemployment insurance, health insurance reform, financial regulatory reform, housing finance, education, access to post-secondary education, small business lending, foreclosure mitigation and prevention, the role of cost-benefit analysis in regulatory policy, and the economic effects of the Gulf Coast oil spill.

### ***International Economic Policies***

The Council was involved in a range of international trade and finance issues, with a particular emphasis on the consequences of the international financial crisis and the related global economic slowdown. The Council was an active participant in discussions at global and bilateral levels. Council Members and staff regularly met with economists, policy officials, and government officials of other countries to discuss issues relating to the global economy and participated in the Strategic and Economic Dialogue with China in May 2010.

The Council was particularly active in examining policies that could help the global economy recover from the crisis. It carefully tracked world economic developments and considered the potential medium-run impacts of the current crisis. The Council's role also included policy development and planning for the G-20 Summits in Toronto and Seoul.

The Council is a leading participant in the Organisation for Economic Co-operation and Development (OECD), an important forum for economic cooperation among high-income industrial economies. The Council coordinated and oversaw the OECD's review of the U.S. economy. Dr. Goolsbee is chairman of the OECD's Economic Policy Committee, and Council staff participates actively in working-party meetings on macroeconomic policy and coordination.

On the international trade front, the Council was an active participant in the trade policy process, occupying a seat on the Trade Policy Staff Committee and the Trade Policy Review Group. The Council provided analysis and opinions on a range of trade-related issues involving

the enforcement of existing trade agreements, reviews of current U.S. trade policies, and consideration of future policies. The Council was also an active participant on the Trade Promotion Coordinating Committee, helping to examine the ways in which exports may support economic growth in the years to come. In the area of investment and security, the Council participated on the Committee on Foreign Investment in the United States (CFIUS), examining individual cases before the committee. The Council also provided empirical analysis of the pending free trade agreement with Korea.

## THE STAFF OF THE COUNCIL OF ECONOMIC ADVISERS

The staff of the Council consists of the senior staff, senior economists, staff economists, research assistants, analysts, and the administrative and support staff. The staff at the end of 2010 were:

### *Senior Staff*

Senior staff play key managerial and analytical roles at the Council. They direct operations, perform central Council functions, and represent the Council in meetings with other agencies and White House offices. The Executive Director oversees the research staff, as well as the development, drafting, and production of the *Economic Report of the President*.

#### *Executive Director*

Nan M. Gibson

#### *Chief of Staff*

Adam Hitchcock

#### *Chief Economist*

Jay C. Shambaugh

#### *Director of Macroeconomic Forecasting*

Steven N. Braun

#### *Director of Statistical Office*

Adrienne Pilot

### *Senior Economists*

Senior economists are Ph.D. economists on leave from academic institutions, government agencies, or private research institutions. They participate actively in the policy process, represent the Council in inter-agency meetings, and have primary responsibility for the economic analysis and reports prepared by the Council, including this *Report*.

Chad P. Bown .....	International Trade and Investment
Aaron Chatterji.....	Entrepreneurship, Innovation
Benjamin Jones.....	Macroeconomics, Innovation
Lisa B. Kahn .....	Labor, Education
Arik Levinson .....	Environment, Regulation
Helen G. Levy .....	Health
Matthew Magura.....	Industrial Organization, Regulation
Paul A. Smith.....	Housing, Tax, Budget, Retirement

### *Staff Economists*

Staff economists are typically graduate students on leave from their Ph.D. training in economics. They conduct advanced statistical analysis, contribute to reports, and generally support the research and analysis mission of the Council.

Sayeh S. Nikpay .....	Health
James O'Brien .....	Energy, Environment
Jamin D. Speer.....	Labor, Education
Reid B. Stevens.....	Macroeconomics
Owen Zidar .....	Housing, Finance, Public Finance

### *Research Assistants*

Research assistants are typically college graduates with significant coursework in economics. They conduct statistical analysis and data collection, and generally support the research and analysis mission of the Council. Both staff economists and research assistants contribute to this *Report* and play a crucial role in ensuring the accuracy of all Council documents.

Ravi P. Deedwania .....	Health, Labor
Nicholas W. Hagerty .....	Environment, Education, Infrastructure
Kia J. McLeod .....	Macroeconomics, Housing, Innovation
Pedro Spivakovsky-Gonzalez ...	International Economics
Julia Hanna Yoo .....	Macroeconomics

### *Statistical Office*

The Statistical Office gathers, administers, and produces statistical information for the Council. Duties include preparing the statistical appendix to the *Economic Report of the President* and the monthly publication *Economic Indicators*. The staff also creates background materials for economic analysis and verifies statistical content in Presidential memoranda. The Office serves as the Council's liaison to the statistical community.

Brian A. Amorosi ..... Program Analyst  
Dagmara A. Mocala ..... Program Analyst

### *Administrative Office*

The Administrative Office provides general support for the Council's activities. This includes financial management, ethics compliance, human resource management, travel, operations of facilities, security, information technology, and telecommunications management support.

Rosemary M. Rogers ..... Administrative Officer  
Doris T. Searles ..... Information Management Specialist

### *Office of the Chairman*

Meryl Holt ..... Special Assistant to the Chairman and  
Director of Strategic Initiatives  
Andres Bustamante ..... Special Assistant to the Member and  
Research Economist  
Eric Lesser ..... Director of Strategic Planning

### *Staff Support*

Lisa D. Branch ..... Executive Assistant  
Sharon K. Thomas ..... Administrative Support Assistant

### *Editorial Staff*

Brenda Szitty and Martha Gottron were the editors, and Andres Bustamante provided research and editorial assistance in the preparation, of the 2011 *Economic Report of the President*.

### *Interns*

Student interns provide invaluable help with research projects, day-to-day operations, and fact-checking. Interns during the year were: Matthew L. Aks; Ian R. Appel; Michael D. Arena; Laura I. Blum; Kathleen A. Choi; Greg D. Dyer; Kenneth Friede; Benjamin J. Gettinger; David S. Gobaud; Max R. Harris; Michael P. Hupp; Peter L. Kerkhof; Michael C.

Levinson; Devin K. Mattson; Joshua Porter; Ceron J. Rhee; NaYoung Rim; and Cole L. Scandaglia.

## DEPARTURES IN 2010

Andrew Metrick left his position as Chief Economist of the Council in July to return to Yale University, where he is the Deputy Dean for Faculty Development and Theodore Nierenberg Professor of Corporate Finance in the Yale School of Management. Michael B. Greenstone, Chief Economist of the Council until January, returned to the Massachusetts Institute of Technology, where he is the 3M Professor of Environmental Economics.

The senior economists who resigned (with the institutions to which they returned after leaving the Council in parentheses) were: Elizabeth O. Ananat (Duke University); Christopher D. Carroll (Johns Hopkins University); Mark G. Duggan (University of Maryland, College Park); W. Adam Looney (Brookings Institution); Jesse M. Rothstein (Department of Labor; University of California, Berkeley); and Ann Wolverton (Environmental Protection Agency).

The staff economists who departed were Sharon E. Boyd; Gabriel Chodorow-Reich; Laura J. Feiveson; Joshua K. Goldman; Sarena F. Goodman; Joshua K. Hausman; Zachary D. Liscow; William G. Woolston; and Jacqueline T. Yen. Those who served as research assistants at the Council and departed were Peter N. Ganong, Clare M. Hove, and Michael P. Shapiro. C. Bennett Blau and Gabrielle A. Elul served as staff assistants.

Archana A. Snyder left her position as Financial Officer to join the Federal Deposit Insurance Corporation as Financial Management Analyst. Julia B. Siegel was Special Assistant to the Chair and resigned to join the Office of Management and Budget as Confidential Assistant.

## PUBLICATIONS OF THE COUNCIL

The Council's annual *Economic Report of the President* is an important vehicle for presenting the Administration's domestic and international economic policies. It is available for purchase through the Government Printing Office and is viewable on the Internet at [www.gpoaccess.gov/eop](http://www.gpoaccess.gov/eop).

The Council prepared numerous reports in 2010, and the Chairman and Members gave numerous public speeches and testified to Congress. The reports, texts of speeches, and written statements accompanying testimony are available at the Council's website, [www.whitehouse.gov/cea](http://www.whitehouse.gov/cea).

Finally, the Council publishes the monthly *Economic Indicators*, which is available on-line at [www.gpo.gov/economicindicators](http://www.gpo.gov/economicindicators).